

EXHIBIT 47

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF NEW YORK

-ooOoo-

NIKE, INC., :
Plaintiff, :
vs. : No. 1:22-cv-00983-VEC
STOCKX LLC, :
Defendant. :
_____ :

DEPOSITION OF BROCK HUBER
TAKEN THROUGH
ADVANCED REPORTING SOLUTIONS, a Veritext company

Taken on Thursday, June 29, 2023
9:30 a.m. to 12:38 p.m.

At HYATT CENTRIC PARK CITY
3551 North Escala Court
Park City, Utah 84098

Reported by: Abigail D.W. Johnson, RPR, CRR, CRC

A P P E A R A N C E S

For the Plaintiff:

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For the Defendant:

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For StockX:

Kevin Adams
Deputy General Counsel
StockX

Also Present: McKayla Largin (videographer)
-ooOoo-

1 THE WITNESS: It looks different printed
2 out.

3 (Exhibit No. 2 was marked
4 for identification.)

5 BY MS. DUVDEVANI:

6 Q. Mr. Huber, the court reporter has handed
7 you a document that has been designated as Exhibit 2.
8 I note that you just said it looks a little different.
9 I assume you mean from you viewing the same documents
10 online.

11 A. Yes, that's right.

12 Q. Okay. We are certainly going to get into
13 details about Exhibit 2. What I'd like you to do first
14 and foremost, and feel free to leaf through it to make
15 sure it's everything that you recognize, is just very,
16 very generally describe what Exhibit 2 is.

17 A. Okay. This looks like the same document
18 that I reviewed on a computer. It's an Excel
19 spreadsheet. It features four tabs put together at
20 kind of different times, in some cases with different
21 purposes, in response to an incident regarding one of
22 our buyers, Mr. Roy Kim, who alleged to have received
23 some items that he suspected were inauthentic.

24 Q. Okay. And what -- starting with the first
25 tab -- and let me also just note for the record that

1 Exhibit 2 was designated by StockX as having a Bates
2 stamp of STX0806024, even though it's not on the
3 printout. That is how it was produced.

4 You mentioned that there are several tabs.
5 Starting with the first tab, which I believe is just
6 the first two pages of the printout, can you generally
7 describe what this first tab of Exhibit 2 contains in
8 terms of content?

9 A. Yes. So this spreadsheet was primarily,
10 but not entirely, created by Abe Zurita, who manages --
11 or at the time was managing our Tempe, Arizona,
12 authentication center. And he was asked to receive and
13 reinspect some items that had made their way to an end
14 buyer.

15 And this initial sheet, this first tab
16 here, these first two pages, are primarily the work
17 product of that assignment that was given to him with a
18 few exceptions.

19 Q. You stated products made their way to an
20 end buyer. Was that end buyer Roy Kim?

21 A. Yes, I believe all 33 items listed here
22 were items received by Roy Kim.

23 Q. Okay. And when you say "made their way to
24 Roy Kim," how did they make their way to Roy Kim?

25 A. They made their way through the ordinary

1 course of business at StockX. A seller was paired with
2 a buyer. The buyer in this case being Roy Kim. The
3 items were shipped from the seller to one of our
4 authentication centers, passed through our proprietary
5 verification process and were ultimately shipped out to
6 this buyer.

7 Q. Okay. And you stated in connection with
8 your testimony regarding Abe Zurita -- is that his last
9 name?

10 A. Mm-hmm.

11 Q. That the products that appear -- strike
12 that -- the order numbers associated with the products
13 that were shipped to Roy Kim were returned by Roy Kim;
14 is that correct?

15 A. Yes. That is correct. That is our policy
16 and has always been our policy. If an end buyer has an
17 issue with an order, they reach out to our customer
18 service. They suspect something they received is
19 inauthentic. We will initiate a review, which
20 typically starts with receiving some pictures of the
21 items in question. And after that photographic review,
22 if we continue to have doubts with the order, we will
23 ask the buyer to send it back to us for an inspection,
24 like the one that Abe did here.

25 Q. Okay. So it's your testimony that Abe

1 reinspected all of the products associated with the
2 order numbers on the first tab of Exhibit 2; is that
3 correct?

4 A. So -- so both Abe, which you can see in
5 Column I, reauthenticated these, as well as John Lopez,
6 who coincidentally was out at that facility for the
7 week, but that was just luck -- as luck would have it,
8 he was there.

9 Q. And when you say "John Lopez," is that
10 referring to the name "Johnny" in exhibit --

11 A. That is Johnny --

12 Q. -- in Column J?

13 A. -- Yes.

14 Q. And did Abe and Mr. Lopez reach a
15 determination as to whether or not the product shipped
16 to Roy Kim and returned that appears in Exhibit 2 were
17 authentic?

18 MR. FORD: Objection to the form of the
19 question.

20 THE WITNESS: They -- they concluded that
21 these items were not fit to transact on our platform.

22 BY MS. DUVDEVANI:

23 Q. Did they conclude that these items were not
24 fit to transact on your platform because they were not
25 authentic?

1 MR. FORD: The same objection.

2 THE WITNESS: They concluded that they were
3 not fit to transact because they were suspected to be
4 inauthentic.

5 BY MS. DUVDEVANI:

6 Q. Okay. Was there no definitive
7 determination by either Abe or Mr. Lopez regarding the
8 authenticity of the products associated with the order
9 numbers listed in Exhibit 2?

10 MR. FORD: The same objection.

11 Sorry. Go ahead.

12 THE WITNESS: I would say there was a
13 definitive determination that they weren't fit to
14 transact. But we don't make definitive legal
15 determinations as to whether something is considered
16 counterfeit or not.

17 BY MS. DUVDEVANI:

18 Q. Putting a legal determination aside, did
19 StockX reach any conclusions upon the return of the
20 products listed in Exhibit 2 as to whether or not they
21 were fake?

22 MR. FORD: Objection to the form of the
23 question.

24 THE WITNESS: They -- again, we concluded
25 that they were not fit to transact on our platform. We

1 Q. Okay. Am I correct that one element of
2 StockX's proprietary verification process is whether
3 the item is authentic?

4 A. So our -- our guarantee that we've always
5 had is that we verify every single item. And we
6 guarantee that you are going to get an item that is
7 exactly as expected. It's what you wanted. It's the
8 right size. It is the right colorway. It's in brand
9 new condition. It has the accessories. And that this
10 item would be a legitimate item from the manufacturer.

[REDACTED]

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████████████████████

_____, _____, _____

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

5 Q. Okay. Instead of going through name by
6 name, let me ask you: Generally of all of the
7 individuals [REDACTED] do you have any
8 information available regarding their employment
9 history or status with StockX?

10 A. So generally speaking, you know, as we have
11 been through in previous sessions, our verification
12 process is human-powered. And so it's going to have a
13 potential for mistakes to be made. And we don't have,
14 with our authentication team members, a one-strike
15 policy. If you pass -- if you make one mistake,
16 whether it's the wrong size, pass on something that on
17 closer inspection we may suspect is inauthentic, we
18 don't just immediately terminate those folks. We
19 continue to educate them. We work on improving their
20 performance.

21 So your name [REDACTED] would not
22 be grounds for -- for immediate dismissal. I can share
23 that I believe -- I would have to cross-reference with
24 this other sheet, there's an order, too, that is
25 currently blank here, that were verified by a gentleman

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1 named Raymond Jones, who shows up in other tabs, that,
2 as part of our investigation into this transaction and
3 this incident, was terminated due to not following our
4 standard operating procedures as he verified some of
5 the items that appear on this list.

[illegible]

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_____, _____, _____

_____, _____, _____

[illegible]

[REDACTED] [REDACTED]

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□ ☐ ☐

☐ _____

[REDACTED]
[REDACTED]
[REDACTED]

_____, _____, _____

_____, _____, _____

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[illegible]

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[illegible]

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[illegible]

14 Q. Okay. Other than Roy Kim, was any other
15 StockX consumer shipped product from this group of bad
16 actors?

17 A. We don't believe there is any reason to
18 suggest that more bad product went through our process
19 and made it through.

20 It's also important to realize a lot of
21 these bad actors will ship good product in an effort to
22 have positive account attributes in order to trick the
23 StockX verification process and our fraud team.

24 Q. Why don't you have any reason to suggest
25 that more bad product went through and made it through?

1 A. We have a lot of good faith in our
2 verification process, that our authentication team, you
3 know, when following our operating procedures and
4 inspecting these like Abe and John did, would reject
5 these items.

6 And we don't -- we didn't have any other
7 buyers who complained about the products that they
8 received, and no reinspections were -- were necessary.

9 Q. Okay. So 33 of these clearly did not get
10 caught and made it to a customer.

11 So are you saying that you don't have any
12 reason to suspect that additional product made it
13 through simply because you didn't receive any other
14 complaints from consumers?

15 A. That is a data point, we did not receive
16 any complaints from consumers. But the other items
17 went through our verification process, which we stand
18 by. And I think that it is important to note, while 33
19 is a totally dissatisfactory number, you know, Roy Kim,
20 as an individual, made 2,300-plus orders with StockX
21 that he has never had an issue before. And he
22 continues to shop with us, even after this incident,
23 because he knows, you know, the quality of our program.

	(b) (6)	[REDACTED]
	(b) (7)(C)	[REDACTED]

[REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED]

[REDACTED] And so

again, I think, it's probably important to know with this investigation that, you know, our -- the way our platform works, the buyer and seller are anonymous to each other, but they -- neither of them are anonymous to us in any way.

A. Yeah, let's do it.

VIDEOGRAPHER: We are off the record. The
time is 10:30.

VIDEOGRAPHER: We are back on the record.

Counsel may proceed.

Q. Okay. What did you do to prepare for
's deposition?

Q. Okay. Did you do anything else?

A. I prepared with the legal advisors as well.

1 Q. When did that preparation take place?

2 A. The last week or so.

3 Q. For how long did you -- are you saying that
4 you met with your legal counsel to prepare for today?

5 A. Certainly, they guided the sessions, and
6 they asked the questions as well where we were --

7 MR. FORD: Just yes or no.

8 BY MS. DUVDEVANI:

9 Q. Just yes or no. I don't want to know
10 exactly what you talked about.

11 A. Sure. Yes.

12 Q. How many sessions were there?

13 A. Four or five sessions.

14 Q. Okay. I know that this was a slightly
15 longer break than usual, did that preparation continue
16 during the break just now?

17 A. We were trying to get the answers to some
18 of the questions you asked us to look into --

19 Q. Okay.

20 A. -- on the break.

21 Q. Okay. Were you able to?

22 A. Yes.

23 Q. Okay. What did you find out during the
24 break?

25 A. Raymond Jones worked for us about two

1 years.

2 Q. Two years?

3 A. Two years.

4 Q. As an authenticator?

5 A. As an authenticator.

6 Q. Do you know when he was terminated?

7 A. I don't know the exact date, but it would
8 have been the summer of last year.

9 Q. Okay.

10 A. He was the only one, like I said earlier,
11 that was terminated in connection with our Roy Kim
12 investigation, but about half the folks that are on
13 this list are no longer with the company. I tried to
14 memorize them all. It was a little too hard. And then
15 Abe has been with us for five years, as I said before
16 earlier.

17 Q. Okay. And do you know if any of the other
18 authenticators, who are no longer with the company,
19 were terminated, or you don't know that?

20 A. They were not terminated in conjunction
21 with this at all. I don't know the reasons for their
22 exits.

23 Q. Do you know if they were terminated for
24 other errors made in authentication?

25 A. I don't know. The other thing that I

1 wouldn't punish the seller for that, because they
2 behaved appropriately.

3 There is a potential for any technology
4 company for there to be a bug, an order for some reason
5 doesn't work. And so basically just -- in areas where
6 a transaction is unsuccessful, but the seller behaved
7 appropriately, we could potentially end up with
8 inventory.

9 Q. Okay. Does StockX ever get inventory from
10 products that are returned by consumers?

11 A. Yes. And it would, again, vary based on
12 why it was returned. If we got an item that was
13 suspected to be inauthentic, we would not take it into
14 inventory.

15 We would, of course, make the buyer whole,
16 but those items would not go into a pool that could
17 potentially be resold. And they ultimately get -- get
18 destroyed.

19 The other place we could have inventory is
20 if we have an agreement with a brand, again, it's not
21 going to be necessarily ours, but we have custody over
22 it, and it could be parked at one of our facilities.
23 And when it's sold, we could fulfill those items on
24 behalf of the brand, and it could come out of an
25 inventory account.

[REDACTED]

11 Q. Okay. What happened to the other sellers
12 that sold Roy Kim a fake product --

13 A. So --

14 Q. -- [REDACTED]

15 A. So everybody that Mark and team were able,
16 in their analysis, to determine was part of this bad
17 actor group, that seemed to be emanating from a small
18 number of unique devices, was banned.

19 Q. Anybody else?

20 A. No. I think outside of the folks who are
21 connected to the fraud ring, there wasn't anything that
22 looked like egregious, intentional abuse of the
23 platform.

24 Q. Are you aware, looking at the [REDACTED]

[REDACTED]

1 A. I'm not positive.

2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]

13 Q. Okay.

14 MS. DUVDEVANI: Let's take another break.

15 VIDEOGRAPHER: We are off the record. The
16 time is 11:37.

17 (Recess was taken.)

18 VIDEOGRAPHER: We are back on the record.

19 The time is 11:34.

20 BY MS. DUVDEVANI:

21 Q. After Copy of Referenced Social Media,
22 there was another tab provided in this document called,
23 "Copy of Entire Trade History." Don't worry, I'm not
24 going to go through the whole thing.

25 A. Let's do it.

1 Q. Okay. Okay.

2 MS. DUVDEVANI: All right. Let's go off
3 the record for a few minutes while we set up the
4 record.

5 VIDEOGRAPHER: Off the record. The time is
6 11:37 [sic].

7 (Recess was taken.)

8 VIDEOGRAPHER: Going back on the record.
9 The time is 11:26.

10 BY MS. DUVDEVANI:

11 Q. Okay. Mr. Huber, there is now a screen in
12 front of you containing some videos that were produced
13 by StockX. I'll represent that those videos were also
14 produced along with a corresponding page that appears
15 to be a screenshot of each video.

16 So what I'm going to do is just for ease of
17 reference is mark the screenshot of the video, and then
18 we will watch the corresponding video. Make sense?

19 A. Yes.

20 Q. So the first one.

21 (Exhibit No. 3 was marked
22 for identification.)

23 BY MS. DUVDEVANI:

24 Q. The court reporter has just handed you a
25 very blurry image designated as Exhibit 3 containing

1 the Bates stamp STX0806022, which corresponds with a
2 video that's been Bates-stamped as STX0806023.

3 So let me know if you can locate the video
4 with that Bates stamp on the laptop in front of you.

5 A. I have located it.

6 Q. Okay.

7 MR. FORD: And just for the record, we are
8 marking as Exhibit 3, both the image ending in 022 and
9 the video file ending in 023 as the exhibit?

10 MS. DUVDEVANI: I think that is the most
11 practical way to do it, since we can't stick a sticker
12 on the video, yes.

13 MR. FORD: Okay.

14 MS. DUVDEVANI: So thank you for your
15 clarification, Mr. Ford.

16 BY MS. DUVDEVANI:

17 Q. All right. Let's go ahead and press play
18 on the count of 3, ready? 1, 2, 3. And then we will
19 watch it one time through and then I might ask
20 questions about it as we go.

21 [Video played.]

22 THE WITNESS: It's over.

23 BY MS. DUVDEVANI:

■ ■ ■ ■ ■
■ ■ ■ ■ ■

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[illegible]

[illegible]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

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1 Q. All right. Let's go to the next one. I
2 will tell you what the next one is in a second.

3 (Exhibit No. 4 was marked
4 for identification.)

5 BY MS. DUVDEVANI:

6 Q. All right. The court reporter has just
7 designated as Exhibit 4 a screenshot of a video
8 containing Bates stamp STX0806003. The associated
9 video is designated as STX0806004.

10 And that is the one that we are going to
11 watch next. So let's do our same on the count of
12 three.

13 A. Okay.

14 Q. Let me know when you have it.

15 A. I am ready.

16 Q. Okay. 1, 2, 3.

17 [Video played.]

18 THE WITNESS: It's over.

19 BY MS. DUVDEVANI:

■ ■ ■ ■ ■
■ ■ ■ ■ ■
■ ■ ■ ■ ■
■ ■ ■ ■ ■
■ ■ ■ ■ ■
■ ■ ■ ■ ■

[REDACTED]

19 Q. Okay. Okay. Let's go to the next one.
20 (Exhibit No. 5 was marked
21 for identification.)
22 BY MS. DUVDEVANI:
23 Q. Okay. The court reporter has just handed
24 you a screenshot that's been marked as Exhibit 5
25 containing the Bates stamp STX0806001. There is an

1 associated video that will also be designated as
2 Exhibit 5 that's been Bates-stamped as STX0806002.

3 We are just getting that one opened. And
4 once again, we'll -- we'll watch on my three.

5 A. All right.

6 Q. Okay.

7 A. Yep.

8 Q. 1, 2, 3.

9 [Video played.]

10 THE WITNESS: It's done.

11 BY MS. DUVDEVANI:

[REDACTED]

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1 (Exhibit No. 6 was marked
2 for identification.)

3 BY MS. DUVDEVANI:

4 Q. And the court reporter has handed you
5 another document that's been designated as Exhibit 6,
6 containing the Bates stamp STX0806015. That's
7 associated with a video STX0806016.

8 And on my three, again. 1, 2, 3.

9 [Video played.]

10 THE WITNESS: It's done.

11 BY MS. DUVDEVANI:

[REDACTED]

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[illegible]

22 Q. Okay. So the next video that we are going
23 to watch, unless Mr. Miller is about to give me another
24 folder, all I have is a document that says "File
25 Provided Natively."

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[illegible]

24 Q. Okay. All right. And then the last video
25 that I want to watch today, I do not have an associated